

DOCKET NO. 97-239-C - ORDER NO. 2000-0177

IN RE: Proceeding to Establish Guidelines for an) ORDER
Intrastate Universal Service Fund.) IMPLEMENTING
) PROCEDURE ON
) INTRASTATE
) UNIVERSAL SERVICE
) FUND

With the passage of Act 354 by the South Carolina General Assembly in May 1996, the Commission was given the obligation to create an intrastate Universal Service Fund. In response to this obligation, the Commission issued Order No. 97-753, dated September 3, 1997, which provided guidelines for the establishment of the intrastate Universal Service Fund. The Commission also issued Order No. 98-322 on May 6, 1998, which addressed the appropriate cost model to be utilized in developing the size of the intrastate USF, consistent with S.C. Code Ann. Section 58-9-280 (E).

At this time, we believe, after studying the Executive Director's January 25, 2000 memorandum, that we should proceed with an investigation of the various aspects related to implementation of the intrastate Universal Service Fund. Accordingly, we will proceed with a formal hearing, beginning on **July 17, 2000**. We hold that a Notice of Hearing should be drafted with notification provided to all impacted consumers. This Notice

should include language which notifies consumers that they will be given an opportunity to address the Commission at the beginning of the proceeding, and prior to presentations made by the parties of record in the case.

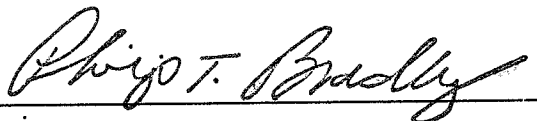
In addition, we further hold that the hearing should include testimony from the parties to include, but not be limited to the following issues: (1) need for immediate implementation of the intrastate Universal Service Fund; (2) the proposed funding mechanism related to the intrastate USF; (3) proposed methods for implementing a phase-in of the intrastate USF; and (4) the impact on rural areas if the intrastate USF is not implemented in some form.

We believe that this is the proper procedure for determining the appropriateness of the implementation of the intrastate USF at this time.

We also note with interest that the South Carolina Telephone Association (SCTA) has filed a Petition requesting that this Commission proceed with a hearing and address outstanding intrastate USF issues, and, ultimately, implement the intrastate USF. SCTA has suggested a plan for implementation. Further, MCI WorldCom has filed a document urging postponement and delay in implementation of the fund. We believe that the points and concerns expressed in these documents may be addressed in the proceeding established and described herein.

This Order shall remain in full force and effect until further Order of the
Commission.

BY ORDER OF THE COMMISSION:


Chairman

ATTEST:


Executive Director

(SEAL)